

## RESOLUTION #6

### Relieve the Debt Burden on All U.S. Students

- WHEREAS:** Equal and unfettered access to higher education is a necessary requirement for a working democracy; and
- WHEREAS:** Access to higher education is neither equal nor unfettered in Michigan.
- WHEREAS:** The average Michigan graduate with student debt in 2017 owes \$30,852 in student loans, including both federal loans and private loans; and
- WHEREAS:** Between 2008-09 and 2011-12, cost of tuition in Michigan's public universities and community colleges has risen 19% and 21% respectively, while state appropriations have fallen 23% from 2008-09 to 2013-14; and
- WHEREAS:** Twenty percent of all federal loan borrowers have defaulted on their loans, according to 2016 DOE data, translating into \$121 billion of loans in default while an additional 20% of all borrowers are not making any payments, and are in some sort of forbearance or delinquency; and
- WHEREAS:** Cancelling student debt for 44 million students would likely lead to an increase in U.S. GDP between \$86 billion and \$108 billion for each year over a 10 year period (Levy Institute Report, 2/2018); and
- WHEREAS:** Since 2000, 80% of tuition price increases are attributable to state funding reductions; nearly 100% when factoring in institutional financial aid (inflation-adjusted, as of FY 2014, House Fiscal Agency, December, 2014); and
- WHEREAS:** State-to-student cost shift in paying for a Michigan Public University Education has reached chilling proportions: in 1979 appropriations were 70%, tuition & fees were 30%, in 2015 appropriations were 23%, tuition and fees 77%; and
- WHEREAS:** Rising costs have made it difficult for most working families to send their children to college without student financial aid and increasingly a large share of student aid actually takes the form of student loans; and
- WHEREAS:** Student debt in this country now equals \$1.4 trillion, more than the combined total of U.S. non-mortgage debt; and
- WHEREAS:** Student loans, unlike a mortgage loan or credit card debt, cannot be discharged in bankruptcy but will impact students for years, even decades, after they graduate, negatively affecting their ability to start families, buy homes, continue their education; and
- WHEREAS:** Education Secretary, Betsy DeVos, is a zealous advocate of for-profit colleges, there is therefore a continuing threat of for-profit colleges which have had dismal graduation rates and very high default rates on student loans but report growing profits for shareholders; and
- WHEREAS:** Lobbyists working for the for-profit colleges and universities have been successful in persuading lawmakers and policymakers that tax revenues funding student financial aid are income streams for Wall Street investors; and
- WHEREAS:** This diversion of resources has fundamentally contributed to the growth of student debt levels to truly frightening proportions; and

- WHEREAS:** These trends outlined above need to be halted and reversed. The current model is unsustainable in a truly democratic society; and **NOW THEREFORE BE IT**
- RESOLVED:** That AFT Michigan Higher Education locals will support a sustained data collecting effort to identify, track, and publicly disseminate information on the level of student debt in our institutions; and **NOW THEREFORE BE IT FURTHER**
- RESOLVED:** To work with student groups, college and university boards, philanthropists, legislators, stakeholders, and interested parties in an effort to reduce student loan levels while growing access to higher education by increasing state and federal support for higher education; and **NOW THEREFORE BE IT FURTHER**
- RESOLVED:** To pursue creative ways to reduce student debt levels, including recent models that advocate for extending free public education to the first two years of college (grades 13 and 14); and **NOW THEREFORE BE IT FURTHER**
- RESOLVED:** To educate our members, students, and communities about the success Wall Street financiers have had in diverting for their profits public resources that should have been available to support student access to higher education; and **NOW THEREFORE BE IT FURTHER**
- RESOLVED:** To remind ourselves and our fellow citizens that democracy is most effectively nourished by robust institutions of public education; that working students and their families should not be dependent on Sallie Mae, or banks, or employers to fund their education; and **NOW THEREFORE BE IT FINALLY**
- RESOLVED:** To pursue the elimination of student debt, to lobby for public policies that ensure that banks and financial institutions that have profited from student debt, as well as the for-profit institutions that have used public revenues to fund corporate profits, are constrained from doing so in the future.

Submitted by: Wayne State University Union of Part Time Faculty Local #477  
Revised and recommended for adoption by the Legislation & Resolutions Committee  
Approved by AFT Michigan 75<sup>th</sup> Convention (May 19, 2018)